



RESTORING THE TRUST FOR ALL GENERATIONS

Committee on the Budget
U.S. House of Representatives

Chairman Tom Price, M.D.

Restoring the Trust for All Generations is meant to normalize the conversation around health, retirement, and economic security programs.

How do we do this?



Elevate the conversation and the imperative for positive solutions.



Build a coalition of support for positive solutions.

Develop guiding principles and drive consensus toward positive solutions.



Humanize the fiscal challenge through education and relevant scenarios.



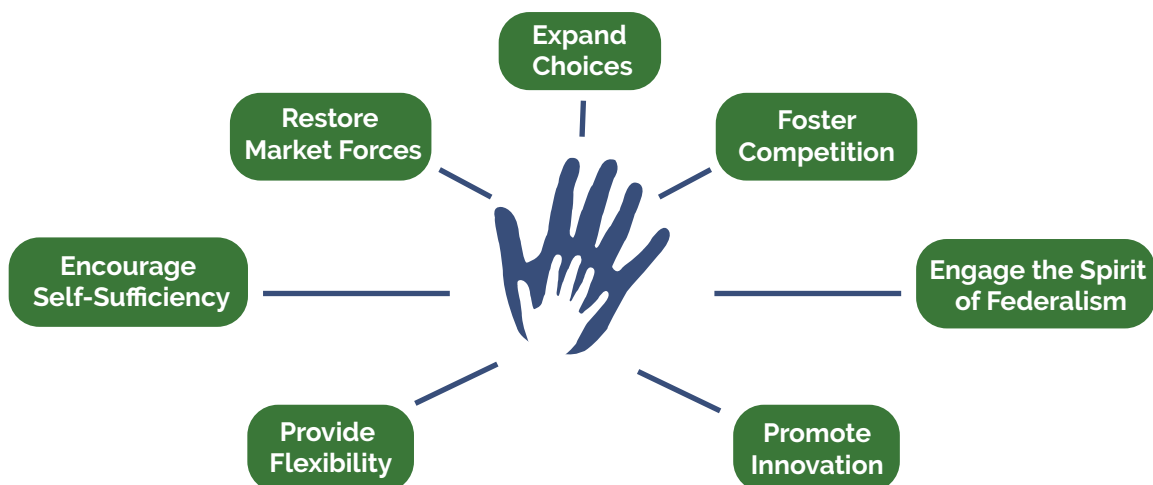
Restoring the Trust introduces a new way of talking about the Federal Government's fiscal challenges.

✓	✗
Health, retirement, and economic security programs; federal benefits programs	Entitlements
Save, strengthen and secure	Reform
Automatic spending	Mandatory spending
Anti-poverty; safety-net	Welfare

It's about **people** not numbers.

These programs should be measured by **outcomes** not inputs.

7 principles for saving and strengthening America's health, retirement, and economic security programs





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YOUNG AMERICANS

Restoring the Trust for All Generations recognizes the challenges younger generations face as they pursue the American Dream.



Increased Education Costs

For every **\$1** increase in federal loans, tuition increases by **\$0.65**.



Rising Student Loan Burden

The average student borrows **\$27,300**. That's up **19%** from a decade ago.



Sluggish Economy = Less Opportunity

2.3% projected average economic growth vs. the historical average of **3.3%**.
44% of college graduates are underemployed.



Unsustainable Government Programs

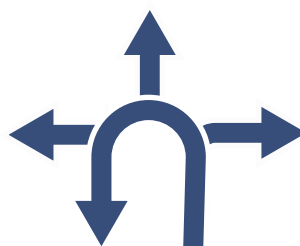
64% of 18-29 year olds don't believe they will receive Social Security.

These factors force many young Americans to delay purchasing a first home, getting married, and starting a family.

Restoring the Trust for All Generations encourages policy makers to move away from Washington-centered strategies and toward innovative solutions young Americans expect.



Promote Innovation



Provide Flexibility



Foster Competition



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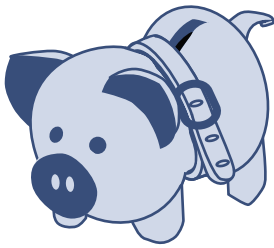
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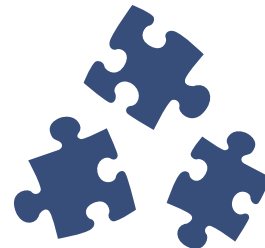
AMERICA'S MOST VULNERABLE

Restoring the Trust for all Generations recognizes the need to improve the nation's safety-net and measure its effectiveness based on the number of lives successfully lifted out of poverty rather than the number of dollars being spent.



Poverty Rate

The poverty rate has remained stubbornly high. In 2014 it was **14.8%, up from 12.5%** in 2007.



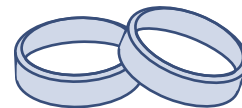
Lack of Coordination

In 2012, **92** anti-poverty programs spent **\$799 billion**.



Work Disincentives

Anti-poverty programs punish work and higher wages with benefit cliffs and high marginal tax rates.



Marriage and Poverty

The poverty rate for married-couple families is **1/5** that of single-parent families, and yet anti-poverty programs penalize marriage.

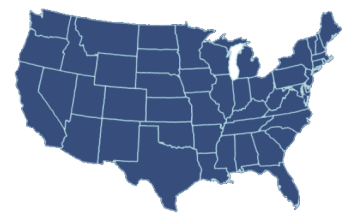
Restoring the Trust for All Generations calls for solutions that promote positive outcomes and results for individuals and their families.



Encourage Self-Sufficiency



Expand Choices



Engage the Spirit of Federalism

"One of the great mistakes is to judge policies and programs by their intention rather than their results." - Milton Friedman



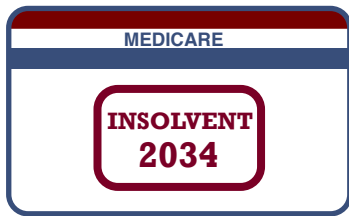
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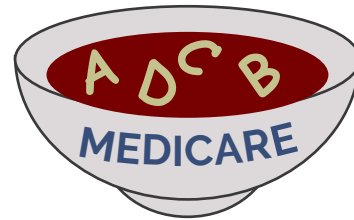
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AMERICANS AT OR NEAR RETIREMENT

Restoring the Trust for All Generations recognizes the need to save, strengthen, and secure Medicare and Social Security for today's seniors and tomorrow's retirees.



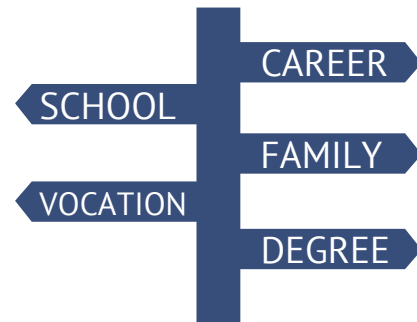
Medicare & Social Security face **insolvency** within the next 15 years. That means **cuts to seniors' benefits**.



Medicare's current design is **overly complex**: different parts, different funding & requiring **additional insurance** to get fully covered.



Nearly **10,000 baby boomers retire every day** & **longer life expectancies** lead to **more generous benefits**.



Social Security has not kept pace with an **evolving workforce**, and also encourages early retirement despite increased lifespans.

Restoring the Trust for All Generations says it is unacceptable to stand by and let Medicare and Social Security go insolvent. Policymakers must act now to protect seniors and provide future retirees access to higher quality choices.



Promote Innovation



Expand Choices



Foster Competition



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FAMILIES AND WORKING-AGE AMERICANS

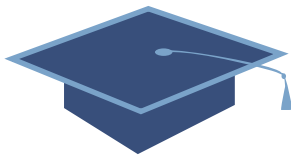
Restoring the Trust for All Generations recognizes that good intentions do not guarantee good policy. Misguided attempts by government to help make goods and services more affordable can in fact do the opposite. This is especially true in housing, health care, and education where the growth in costs have far outpaced inflation.



Rising health care costs now consume 17.5% of GDP. In the past decade, premiums have increased over 61 percent, while deductibles have increased more than **250%**.



Homeownership rates are the lowest level in over **50 years**. Misguided policies increase housing rental costs, and almost 40 million households spend over **30% of their income** on housing.



Every time Washington increases federally-subsidized student loans by one dollar, **tuition rates increase** by 65 cents. Total student loan debt stands at **over \$1.3 trillion**.



With **real wages still below pre-recession levels**, high-cost housing, rising student loan debt, and higher health care spending are absorbing a greater portion of the family budget, crowding out other priorities such as saving for retirement or a child's education.

Restoring the Trust for All Generations means having a well-functioning marketplace that allows entrepreneurs to meet the demand of consumers – creating better products for lower prices through innovation. In short, allowing America's economy to work.



Promote Innovation



Restore Market Forces



Foster Competition